Supply, Demand, and Your First Trade Deal

Economics & Financial Literacy · Grades 5-12 · 50-70 minutes

This free lesson runs the full SFC Nations cycle: Learn » Explore » Create » Make Decisions » Apply. The academic content comes first, then the student uses it to run a nation of their own.

1. LEARN

The concept, stated plainly.

- Demand is how much buyers want at a given price. Supply is how much sellers will provide at that price.
- When supply falls or demand rises, price rises. When supply rises or demand falls, price falls.
- Comparative advantage: trade helps both sides when each produces what it gives up least to make.
- Scarcity is the whole reason economics exists. Every choice spends something you cannot spend twice.

2. EXPLORE

Poke at it before applying it.

1. List the resources your nation has a surplus of and the ones it lacks.
2. Find two nations that have what you lack. What do they lack that you have?
3. Predict which of your surplus resources will command the best price, and say why.

3. CREATE

Make something that is yours.

1. Write a trade proposal: what you offer, what you want, and why the deal helps them.
2. Set a walk-away line. Below what terms do you refuse?
3. Draft a backup partner in case the first refuses.

4. MAKE DECISIONS

No option is free. Choose anyway.

1. A partner offers a great price but demands exclusivity for 30 days. Accept?
2. Your only supplier of a critical resource raises the price 40%. Pay, switch, or go without?
3. Do you trade with a nation your ally distrusts? What does it cost either way?

5. APPLY WHAT YOU LEARNED

Use it in your nation and measure the result.

1. Send the proposal in-game and record the response.
2. Track income and resource levels for one week under the deal.
3. Calculate whether the trade was worth it, in numbers, and explain the result.

Student worksheet

Name: ______________________________ Date: ______________

1. What did you trade, and what did you give up to get it?

2. How did the price change once supply or demand shifted?

3. Did you hold your walk-away line? What happened?

4. Was the deal a net gain after one week? Show the numbers.

Parent and teacher notes

- Grade the reasoning, not the outcome. A defended bad decision beats a lucky one.
- Ask “what did that cost you?” after every choice the student makes.
- Let a nation fail once. The recovery week teaches more than the lesson did.

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